

## Attorney General - Department of Law

	FY 2016 ACTUAL	FY 2017 ESTIMATE	FY 2018 BASELINE
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	583.5	580.7	580.7
Personal Services	29,476,300	32,176,600	32,176,600
Employee Related Expenditures	10,917,900	11,921,600	11,921,600
Professional and Outside Services	349,500	1,210,100	1,210,100
Travel - In State	93,600	93,500	93,500
Travel - Out of State	84,400	67,700	67,700
Other Operating Expenditures	7,094,500	5,516,100	5,516,100
Equipment	461,700	317,900	317,900
<b>OPERATING SUBTOTAL</b>	<b>48,477,900</b>	<b>51,303,500</b>	<b>51,303,500</b>
<b>SPECIAL LINE ITEMS</b>			
Capital Postconviction Prosecution	769,300	795,700	795,700
Internet Crimes Against Children Enforcement	0	1,250,000	1,250,000
Federalism Unit	724,200	995,600	995,600
Military Airport Planning	89,000	85,000	85,000
National Mortgage Settlement Distribution	3,152,000	0	0
Risk Management ISA	8,741,600	9,406,700	9,406,700
Southern Arizona Law Enforcement	1,198,600	1,193,000	1,193,000
State Grand Jury	179,700	180,100	180,100
Tobacco Enforcement	227,500	816,000	816,000
Victims' Rights	3,704,700	3,758,900	3,758,900
<b>AGENCY TOTAL</b>	<b>67,264,500</b>	<b>69,784,500</b>	<b>69,784,500</b>
<b>FUND SOURCES</b>			
General Fund	23,496,700	24,664,800	24,664,800
<u>Other Appropriated Funds</u>			
Antitrust Enforcement Revolving Fund	158,100	244,300	244,300
Attorney General Legal Services Cost Allocation Fund	2,073,300	2,080,400	2,080,400
Collection Enforcement Revolving Fund	6,803,500	6,845,200	6,845,200
Consumer Protection - Consumer Fraud Revolving Fund	4,170,900	5,575,700	5,575,700
Court-Ordered Trust Fund	3,152,000	0	0
Interagency Service Agreements Fund	14,194,400	16,308,500	16,308,500
Internet Crimes Against Children Enforcement Fund	0	900,000	900,000
Risk Management Revolving Fund	8,741,600	9,406,700	9,406,700
State Aid to Indigent Defense Fund	769,300	0	0
Victims' Rights Fund	3,704,700	3,758,900	3,758,900
SUBTOTAL - Other Appropriated Funds	43,767,800	45,119,700	45,119,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>67,264,500</b>	<b>69,784,500</b>	<b>69,784,500</b>
Other Non-Appropriated Funds	34,660,900	50,199,900	50,199,900
Federal Funds	4,929,400	5,794,500	5,473,500
<b>TOTAL - ALL SOURCES</b>	<b>106,854,800</b>	<b>125,778,900</b>	<b>125,457,900</b>

**AGENCY DESCRIPTION** — The Attorney General is an elected constitutional officer. The office provides legal counsel to state agencies, represents the state in juvenile dependency matters, enforces civil rights, environmental, consumer protection and anti-trust laws, and investigates and prosecutes criminal cases, handles criminal appeals, and assists county attorneys.

### ***Operating Budget***

The Baseline includes \$51,303,500 and 446.5 FTE Positions in FY 2018 for the operating budget. These amounts consist of:

	<b>FY 2018</b>
General Fund	\$21,976,600
Antitrust Enforcement Revolving Fund	244,300
Attorney General Legal Services Cost Allocation Fund	2,080,400
Collection Enforcement Revolving Fund (CERF)	6,845,200
Consumer Protection - Consumer Fraud (CPCF) Revolving Fund	3,848,500
Interagency Service Agreements (ISA) Fund	16,308,500

These amounts are unchanged from FY 2017.

### ***Capital Postconviction Prosecution***

The Baseline includes \$795,700 and 6 FTE Positions from the General Fund in FY 2018 for Capital Postconviction Prosecution. These amounts are unchanged from FY 2017.

This line item funds costs associated with prosecuting capital cases after the initial conviction.

### ***Internet Crimes Against Children Enforcement***

The Baseline includes \$1,250,000 in FY 2018 for the Internet Crimes Against Children (ICAC) Enforcement line item. This amount consists of:

General Fund	350,000
ICAC Enforcement Fund	900,000

These amounts are unchanged from FY 2017.

Laws 2015, Chapter 245 established the ICAC Enforcement Fund subject to legislative appropriation and administered by the Attorney General. The intent behind Chapter 245 was to provide \$900,000 in FY 2015 and every year thereafter from the proceeds of lottery games sold from a vending machine in age-restricted areas.

Chapter 245 also allocates \$100,000 to the Victims' Rights Enforcement Fund from the same proceeds. This fund is continuously appropriated and administered by the Department of Public Safety.

If the lottery games do not produce sufficient funds for the \$900,000 and \$100,000 allocations, as was the case in

FY 2015, then unclaimed lottery prize monies will be used to backfill the difference.

Chapter 245 requires the Attorney General to enter into 1 or more intergovernmental agreements to continue operation of the Arizona Internet Crimes Against Children Task Force (AZICAC), led by the Phoenix Police Department. AZICAC is a joint federal/local law enforcement task force that investigates child pornography.

The FY 2017 budget included 2 new General Appropriation Act footnotes:

- The first requires the Attorney General to submit for JLBC review an expenditure plan for monies in this line item by June 1, 2016. The intent of this provision is to ensure that recipients of ICAC monies will be ready to spend their allotments at the beginning of FY 2017. DCS was subject to a similar footnote in FY 2016.
- The second makes the appropriation in this line item non-lapsing until the end of FY 2018. The intent of this provision is to provide flexibility for recipients of ICAC monies to spend their allotments.

The Baseline would continue these footnotes in FY 2018.

At its September 21, 2016 meeting, the JLBC provided a favorable review of the AG's proposed expenditure plan for the \$1,250,000 FY 2017 ICAC appropriation. The expenditure plan included funding for 4 FTE Positions in the Phoenix PD that will be full-time staff of AZICAC, 2 FTE Positions within the AG's office that will work exclusively on ICAC-related cases, and equipment, training, and other operational costs of AZICAC.

### ***Federalism Unit***

The Baseline includes \$995,600 and 7 FTE Positions from the CPCF Revolving Fund in FY 2018 for the Federalism Unit. These amounts are unchanged from FY 2017.

This line item provides funding for the Attorney General to defend the state in cases related to federal issues. Some of these legal expenses had previously been borne by the Governor's Office.

### ***Military Airport Planning***

The Baseline includes \$85,000 and 1 FTE Position from the General Fund in FY 2018 for Military Airport Planning. These amounts are unchanged from FY 2017.

A.R.S. § 26-263 appropriates \$85,000 annually from the General Fund to the Attorney General's Office. Therefore, funding for this line item does not appear in the General Appropriation Act. The legislation sought to preserve the state's military bases by appropriating monies to several state agencies and charging them with certain responsibilities. Monies in this line item pay for the department's duties under the original 2004 legislation, including review and determination of compliance with land use plans.

#### **Risk Management ISA**

The Baseline includes \$9,406,700 and 93 FTE Positions from the Risk Management Revolving Fund in FY 2018 for the Risk Management ISA. These amounts are unchanged from FY 2017.

This line item provides funding for the Attorney General's contract with the Risk Management Division of the Arizona Department of Administration. Attorneys from the Attorney General's Office defend the state in most risk management cases regarding agency liability.

#### **Southern Arizona Law Enforcement**

The Baseline includes \$1,193,000 and 13 FTE Positions from the General Fund in FY 2018 for Southern Arizona Law Enforcement. These amounts are unchanged from FY 2017.

This line item provides funding for the Criminal Division's investigations and prosecutions of fraud, corruption, criminal enterprise, drug trafficking, and money laundering cases in Southern Arizona.

#### **State Grand Jury**

The Baseline includes \$180,100 and 1.6 FTE Positions from the General Fund in FY 2018 for the State Grand Jury. These amounts are unchanged from FY 2017.

This line item funds expenses incurred by the Attorney General to investigate and try matters that are under the jurisdiction of the State Grand Jury.

#### **Tobacco Enforcement**

The Baseline includes \$816,000 and 6.6 FTE Positions in FY 2018 for Tobacco Enforcement. These amounts consist of:

General Fund	84,400
CPCF Revolving Fund	731,600

These amounts are unchanged from FY 2017.

This line item funds the Attorney General's enforcement of the Master Settlement Agreement (MSA). The MSA is a settlement reached by major tobacco companies and 46 states in 1998 that requires these companies to compensate states annually for Medicaid costs associated with tobacco use. In exchange for annual payments from the tobacco companies, states agree to diligently enforce tobacco tax laws.

In addition to the monies provided in this line item, the Baseline continues to require AHCCCS to transfer \$1,200,000 to the Attorney General for MSA enforcement. As a result, the Baseline includes a total of \$2,016,000 for the Attorney General to enforce the MSA in FY 2018.

#### **Victims' Rights**

The Baseline includes \$3,758,900 and 6 FTE Positions from the Victims' Rights Fund in FY 2018 for Victims' Rights. These amounts are unchanged from FY 2017.

This line item provides monies to state and local agencies that are required to notify victims during various steps in the criminal justice process. The program includes 7.68% of Criminal Justice Enhancement Fund monies and an assessment on parents of juvenile offenders.

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**FORMAT** — Operating Lump Sum with Special Line Items by Agency

#### **FOOTNOTES**

##### *Standard Footnotes*

On or before June 1, 2017, the department shall submit an expenditure plan for the FY 2018 Internet Crimes Against Children Enforcement line item for review by the Joint Legislative Budget Committee.

The \$900,000 appropriation from the Internet Crimes Against Children Enforcement Fund and the \$350,000 appropriation from the state General Fund for the Internet Crimes Against Children Enforcement line item are continuing appropriations and are exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations, through June 30, 2019.

##### *New Footnotes*

All monies appropriated to the Litigation Expenses line item in the Department of Child Safety budget shall not be counted towards the Attorney General's Interagency

Service Agreements Fund appropriation in FY 2018.  
(Please see *Interagency Service Agreements Fund in the Other Issues* section for more information.)

#### *Deletion of Prior Year Footnotes*

The Baseline would delete the footnote concerning the ISA Fund reserve appropriation and report.

### **STATUTORY CHANGES**

The Baseline would, as session law, reduce the Attorney General legal services charges included in the General Appropriation Act by \$(4,200) for the Department of Agriculture and \$(6,800) for Geological Survey for both FY 2017 and FY 2018. This brings the charges in line with statutory restrictions on the assessment of a legal service charge against the Department of Agriculture and the Universities as Laws 2016, Chapter 128 moved Geological Survey into the University of Arizona and Laws 2015, Chapter 244 moved the Department of Weights and Measures into the Department of Agriculture.

#### ***Other Issues***

This section includes information on the following topics:

- Attorney General Legal Services Cost Allocation Fund
- Interagency Service Agreements Fund
- Consumer Restitution and Remediation Revolving Fund

#### ***Attorney General Legal Services Cost Allocation Fund***

A.R.S. § 41-191.09 requires agencies to pay annually a flat fee to the Attorney General for general legal counsel. The FY 2016 General Appropriation Act set the level of charges at \$1.8 million and specified the charge per agency as required by A.R.S. § 41-191.09. The FY 2017 General Appropriation Act continued language maintaining these charges as required by A.R.S. 41-191.09. The Baseline would reduce these charges by \$(11,000) to eliminate the Department of Agriculture and Geological Survey legal services charge to comply with statutory assessment restrictions. See *Table 1* for a list of agencies and their corresponding FY 2018 Attorney General Legal Services charge.

The FY 2017 Criminal Justice Budget Reconciliation Bill (Laws 2016, Chapter 119) eliminated the requirement that the JLBC review the funding sources utilized by departments to pay the Legal Services charge. Statute continues to require the department to annually report to the JLBC on the funding sources utilized to pay the charge.

(Please see the FY 2015 Appropriations Report for a more detailed history on legal services charges.)

**Table 1**

#### **FY 2018 Attorney General Legal Services Charges**

<b><u>Agency</u></b>	<b><u>Legal Services Charge</u></b>
Arizona Department of Administration	\$ 127,700
Office of Administrative Hearings	3,000
Commission on the Arts	3,100
Automobile Theft Authority	1,400
Citizens Clean Elections Commission	2,700
State Department of Corrections	2,000
Arizona Criminal Justice Commission	8,700
Arizona Schools for the Deaf and the Blind	100,200
Commission for the Deaf and the Hard of Hearing	4,100
Early Childhood Development and Health Board	47,100
Department of Education	132,000
Department of Emergency and Military Affairs	30,000
Department of Environmental Quality	135,600
Exposition and State Fair Board	20,900
Department of Financial Institutions	1,900
Arizona Department of Forestry and Fire Management	13,400
Department of Gaming	37,300
Department of Health Services	170,000
Arizona Historical Society	700
Department of Housing	19,300
Department of Insurance	10,500
Department of Juvenile Corrections	9,400
State Land Department	2,100
Department of Liquor, Licenses and Control	11,400
Arizona State Lottery Commission	24,800
Arizona State Parks Board	45,800
State Personnel Board	600
Arizona Pioneers' Home	12,100
Commission on Postsecondary Education	1,800
Department of Public Safety	677,400
Radiation Regulation Authority	3,800
Arizona State Retirement System	69,100
Department of Revenue	4,900
Secretary of State	1,800
State Treasurer	9,200
Department of Veterans' Services	52,700
<b>Total Legal Services Charges</b>	<b>\$1,798,500</b>

#### ***Interagency Service Agreements Fund***

The Attorney General uses the Interagency Service Agreements (ISA) Fund to receive monies from state agencies for legal services. In FY 2016, the Attorney General spent \$14.2 million, or 92.1%, of the \$15.5 million appropriation for the ISA Fund. The appropriated amount included a base appropriation of \$14.8 million and a reserve appropriation of \$800,000. The latter dollar

amount became available upon a report by the Attorney General to JLBC.

The FY 2017 budget includes \$15.5 million and 134.2 FTE Positions from the ISA Fund with the option to use an additional reserve appropriation of \$800,000 and 11 FTE Positions. The latter dollar amount becomes available upon a report to JLBC. In November 2016, the Attorney General notified the JLBC that it expected to use its full FY 2017 ISA Fund appropriation as well as 6 FTE Positions of the total 11 FTE Positions and the entire \$800,000 of the reserve appropriation.

The Baseline would increase the FY 2018 ISA Fund appropriation to \$16.3 million and 140.2 FTE Positions and would eliminate the \$800,000 and 11 FTE Position reserve appropriation. Additionally, the Baseline includes a new footnote that exempts the Department of Child Safety's litigation costs from inclusion in the ISA Fund appropriated amount. This would be consistent with the current appropriation for the Protective Services Section. These monies are appropriated in the Department of Child Safety budget and do not count against the ISA Fund appropriation.

The Attorney General estimates legal services needs that require a total ISA Fund appropriation of \$17.4 million and 140.2 FTE Positions in FY 2017. The increased need is primarily driven by ISA expansions with the Department of Gaming, Department of Corrections, and Department of Child Safety. Of the \$17.4 million estimated FY 2017 ISA Fund amount, \$1.3 million is attributable to 2 ISAs with the Department of Child Safety. Pursuant to a new footnote in the Baseline, these monies expended from the Litigation Expenses line item in the Department of Child Safety budget will not be included in the ISA Fund appropriation. As a result, assuming no increases to existing ISAs, the net FY 2018 ISA Fund need will be \$16.1 million, which is \$(198,700) less than the FY 2018 Baseline appropriation. *(Please see the Footnotes section for more information.)*

#### ***Consumer Restitution and Remediation Revolving Fund***

The Attorney General deposits proceeds from consumer protection-related legal settlements into the following funds: 1) the CPCF Revolving Fund; 2) the Consumer Restitution and Remediation Revolving Fund, or 3) the Antitrust Enforcement (AE) Revolving Fund.

The CPCF derives its revenue from any investigative or court costs, attorney fees or civil penalties recovered by the Attorney General as a result of enforcement of either state or federal statutes pertaining to consumer fraud.

The AE Revolving Fund consists of monies recovered by the state as a result of antitrust, restraint of trade, or price-fixing activity enforcement.

In 2013, the Legislature created a new Consumer Restitution and Remediation Revolving Fund (Laws 2013, Chapter 143) that the Attorney General would use for monies collected from lawsuits that are reserved for remediation or restitution. Chapter 143 requires JLBC review of any plans to spend monies from this fund on remediation. In addition, A.R.S. § 41-192 directs any monies resulting from compromises or settlements by or against the state, excluding restitution, reimbursement, or CPCF monies, into the General Fund.

The Attorney General is required by several statutes (A.R.S. § 41-192, A.R.S. § 41-192.02, A.R.S. § 44-1531.01, and A.R.S. § 44-1531.02) to submit quarterly reports to JLBC on the allocation of legal settlement proceeds. These reporting requirements provide legislative oversight on how settlement monies are collected and distributed.

The Consumer Restitution Subaccount of the Consumer Restitution and Remediation Revolving Fund is to be used for monies collected from lawsuits intended to compensate a specific, identifiable person, including the state, for economic loss resulting from violations of consumer protection laws. This subaccount is not subject to legislative appropriation.

The Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund consists of monies collected as a result of a settlement to rectify violations of consumer protection laws, other than monies collected for the benefit of specific, identifiable persons. Monies in this subaccount up to \$3.5 million are continuously appropriated. Any money collected over that amount is subject to legislative appropriation. The Attorney General must submit an expenditure plan to the JLBC for its review before expending any monies in this subaccount.

SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
<b>Anti-Racketeering Revolving Fund (AGA2131/A.R.S. § 13-2314.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Forfeitures of property and assets to satisfy judgments pursuant to anti-racketeering statutes.		
<b>Purpose of Fund:</b> To investigate and prosecute any offense defined as racketeering pursuant to Arizona statutes.		
<b>Funds Expended</b>	15,735,700	22,058,300
<b>Year-End Fund Balance</b>	35,268,600	24,435,200
<b>Antitrust Enforcement Revolving Fund (AGA2016/A.R.S. § 41-191.02)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies recovered for the state as a result of antitrust, restraint of trade or price-fixing activity enforcement.		
<b>Purpose of Fund:</b> For antitrust enforcement expenses, excluding attorney compensation.		
<b>Funds Expended</b>	158,100	244,300
<b>Year-End Fund Balance</b>	775,900	755,800
<b>Attorney General Expendable Trust Fund (AGA3102/A.R.S. § 35-149)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Restricted donations and gifts from individuals and corporations.		
<b>Purpose of Fund:</b> For purposes specified by donors or grantors.		
<b>Funds Expended</b>	1,520,700	1,172,500
<b>Year-End Fund Balance</b>	555,100	270,000
<b>Attorney General Legal Services Cost Allocation Fund (AGA4240/A.R.S. § 41-191.09)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Flat dollar amount from agencies as annually specified by the General Appropriation Act.		
<b>Purpose of Fund:</b> To fund non-contracted Attorney General Legal Services.		
<b>Funds Expended</b>	2,073,300	2,080,400
<b>Year-End Fund Balance</b>	526,400	248,700
<b>CJEF Distribution to County Attorneys Fund (AGA2068/A.R.S. § 41-2401)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 9.35% of the Criminal Justice Enhancement Fund (CJEF) monies. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.		
<b>Purpose of Fund:</b> To enhance prosecutorial efforts of county attorneys.		
<b>Funds Expended</b>	3,436,700	3,677,900
<b>Year-End Fund Balance</b>	755,900	378,000
<b>Collection Enforcement Revolving Fund (AGA2132/A.R.S. § 41-191.03)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> The fund receives 35% of monies recovered by the Attorney General from debts owed to the state.		
<b>Purpose of Fund:</b> For expenses related to debt collection owed to the state, including reimbursement of other accounts within the department. Also can be used for operating expenses, including any costs associated with the Tobacco Master Settlement Agreement arbitration. Monies in the Collection Enforcement Revolving Fund up to \$500,000 are non-lapsing.		
<b>Funds Expended</b>	6,803,500	6,845,200
<b>Year-End Fund Balance</b>	825,400	2,273,900
<b>Colorado River Land Claims Revolving Fund (AGA2430/A.R.S. § 41-191.05)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Receives 25% of monies recovered by the state from the settlement of the State of Arizona's sovereign land claims.		
<b>Purpose of Fund:</b> To pay ownership claims near the Colorado River.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	12,300	12,300

<b>SUMMARY OF FUNDS</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Estimate</b>
<b>Consumer Protection - Consumer Fraud Revolving Fund (AGA2014/A.R.S. § 44-1531.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Any monies recovered for the state from investigative or court costs, attorney fees or civil penalties pertaining to consumer protection or consumer fraud.		
<b>Purpose of Fund:</b> For consumer fraud education and for investigative and enforcement operations of the Consumer Protection Division, excluding attorney compensation. Also can be used for operating expenses, including any costs associated with the Tobacco Master Settlement Agreement arbitration.		
<b>Funds Expended</b>	4,170,900	5,575,700
<b>Year-End Fund Balance</b>	12,384,700	12,134,300
<b>Consumer Restitution Subaccount of the Consumer Restitution and Remediation Revolving Fund (AGA2573/A.R.S. § 44-1531.02)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies collected by the Attorney General from court orders, compromises or settlements resulting from violations of consumer protection laws.		
<b>Purpose of Fund:</b> Laws 2013, Chapter 143 established the Consumer Restitution and Remediation Revolving Fund, which is separated into 2 subaccounts: the Consumer Restitution Subaccount and the Consumer Remediation Subaccount. The Consumer Restitution Subaccount is to be used for monies collected from lawsuits intended to compensate a specific, identifiable person, including the state, for economic loss resulting from violations of consumer protection laws.		
<b>Funds Expended</b>	1,742,500	200,000
<b>Year-End Fund Balance</b>	220,400	190,200
<b>Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund (AGA2573/A.R.S. § 44-1531.02)</b>		<b>Partially-Appropriated</b>
<b>Source of Revenue:</b> Monies collected by the Attorney General from court orders, compromises or settlements resulting from violations of consumer protection laws.		
<b>Purpose of Fund:</b> Laws 2013, Chapter 143 established the Consumer Restitution and Remediation Revolving Fund, which is separated into 2 subaccounts: the Consumer Restitution Subaccount and the Consumer Remediation Subaccount. The Consumer Restitution Subaccount is to be used for monies collected from lawsuits intended to compensate a specific, identifiable person, including the state, for economic loss resulting from violations of consumer protection laws. The Consumer Remediation Subaccount consists of monies collected as a result of a settlement to rectify violations of consumer protection laws, other than monies collected for the benefit of a specific, identifiable person. Monies in the Consumer Remediation Subaccount up to \$3,500,000 are continuously appropriated. Any amount of money collected over that amount is subject to legislative appropriation. The FY 2016 budget directed the transfer of \$5,400,000 of these monies to the General Fund by the end of FY 2016.		
<b>Appropriated Funds Expended</b>	0	0
<b>Non-Appropriated Funds Expended</b>	0	3,500,000
<b>Year-End Fund Balance</b>	7,688,400	9,305,900
<b>Court-Ordered Trust Fund (AGA3180/A.R.S. § 35-142)</b>		<b>Partially-Appropriated</b>
<b>Source of Revenue:</b> Court-ordered deposits held in trust for parties to lawsuits. Includes funds from a 2012 nationwide settlement between numerous states and mortgage loan services. Arizona residents received a total of \$1.6 billion from the settlement, of which \$33.9 million was allocated to the Attorney General.		
<b>Purpose of Fund:</b> To assure funds are available to pay judgments. Future payments are dependent on case settlements. Laws 2013, Chapter 118 appropriated an estimated \$48,900,000 of the National Mortgage Settlement proceeds to the Attorney General in FY 2013 as a non-lapsing appropriation. The FY 2016 budget, however, directed the transfer of \$15,000,000 of these monies to the General Fund by the end of FY 2015, leaving the Attorney General with an estimated \$33,900,000 from the National Mortgage Settlement proceeds. Prior to the fund transfer, the Attorney General expended \$612,500 in FY 2013 and \$7,610,600 in FY 2014 to provide assistance to homeowners affected by fraudulent mortgage servicing and foreclosure practices. The AG spent \$17,418,700 in FY 2015 and \$3,152,000 in FY 2016 for similar purposes. In FY 2017, the Attorney General plans to expend the remaining \$5,106,200 of the non-lapsing appropriation. To avoid double counting, the FY 2017 expenditures are not displayed below. The non-appropriated expenditures in FY 2016 and FY 2017 reflect court-ordered settlements other than the National Mortgage Settlement.		
<b>Appropriated Funds Expended</b>	3,152,000	0
<b>Non-Appropriated Funds Expended</b>	1,727,200	1,693,500
<b>Year-End Fund Balance</b>	14,912,100	8,115,500

SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
<b>Criminal Case Processing Fund (AGA2461/A.R.S. § 41-2421)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A portion of redirected court collections and 0.35% of the surcharge on criminal, motor vehicle, and game and fish statute violations.		
<b>Purpose of Fund:</b> For the processing of criminal cases.		
<b>Funds Expended</b>	21,300	74,300
<b>Year-End Fund Balance</b>	167,000	167,600
<b>Federal Grants (AGA2000/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Grants awarded by various federal agencies and state agencies which pass through federal monies.		
<b>Purpose of Fund:</b> To be used in accordance with the terms of the individual grants.		
<b>Funds Expended</b>	4,929,400	5,794,500
<b>Year-End Fund Balance</b>	1,462,200	2,953,900
<b>Indirect Cost Recovery Fund (AGA9000/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grant monies and other appropriated and non-appropriated funds.		
<b>Purpose of Fund:</b> To pay administrative costs not directly attributable to any single agency program.		
<b>Funds Expended</b>	3,968,600	7,308,000
<b>Year-End Fund Balance</b>	4,241,100	4,503,700
<b>Interagency Service Agreements Fund (AGA2657/A.R.S. § 41-192)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Any monies received by the Attorney General from charges to state agencies for legal services related to interagency service agreements.		
<b>Purpose of Fund:</b> To provide contracted legal services to state agencies and political subdivisions. The FY 2017 budget includes a reserve appropriation from the ISA Fund of \$800,000 and 11 FTE Positions.		
<b>Funds Expended</b>	14,194,400	16,308,500
<b>Year-End Fund Balance</b>	1,646,400	0
<b>Intergovernmental Agreements Fund (AGA2500/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Any monies received from state agencies for specialized projects.		
<b>Purpose of Fund:</b> For costs associated with approved projects.		
<b>Funds Expended</b>	5,329,500	9,249,500
<b>Year-End Fund Balance</b>	3,211,300	1,605,600
<b>Internet Crimes Against Children Enforcement Fund (AGA3217/A.R.S. § 41-199)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Pursuant to A.R.S. § 5-554, the fund receives \$900,000 from the proceeds of lottery games that are sold from a vending machine in age-restricted areas. If the lottery games do not produce sufficient funds for the \$900,000 allocation, then unclaimed lottery prize monies will be used to backfill the difference. A.R.S. § 5-554 also directs \$100,000 from the same lottery game revenue to the Victims' Rights Enforcement Fund administered by the Department of Public Safety. <i>(Please see the Department of Public Safety for more detail on the Victims' Rights Enforcement Fund.)</i>		
<b>Purpose of Fund:</b> For the Attorney General to enter into 1 or more intergovernmental agreements to continue the operation of the federally recognized Internet Crimes Against Children Task Force program that coordinates a national network of coordinated task forces that assist federal, state, local, and tribal law enforcement agencies in investigations, forensic examinations, and prosecutions related to technology-facilitated sexual exploitation of children and internet crimes against children.		
<b>Funds Expended</b>	0	900,000
<b>Year-End Fund Balance</b>	1,800,000	0



SUMMARY OF FUNDS	FY 2016 Actual	FY 2017 Estimate
<b>Motor Carrier Safety Revolving Fund (AGA2380/A.R.S. § 28-5203)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> This fund consists of monies appropriated by the Legislature; fines; forfeitures; fees and taxes applied to all manufacturers, shippers, motor carriers and drivers who transport or cause the transportation of hazardous material, substances or waste, as required by A.R.S. Title 28, Chapter 14; and monies received from private grants or donations.		
<b>Purpose of Fund:</b> The Department of Public Safety conducts motor carrier safety investigations, the Motor Vehicle Division of the Department of Transportation administers hearings, and the Attorney General enforces civil penalties.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	32,200	34,900
<b>Prosecuting Attorneys' Advisory Council Training Fund (AGA2057/A.R.S. § 41-1830.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 3.03% of Criminal Justice Enhancement Fund (CJEF) monies. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.		
<b>Purpose of Fund:</b> For costs of training, technical assistance for prosecuting attorneys of the state and any political subdivision, and expenses for the operation of the council.		
<b>Funds Expended</b>	1,130,400	1,251,600
<b>Year-End Fund Balance</b>	1,100	1,100
<b>Risk Management Revolving Fund (AGA4216/A.R.S. § 41-622)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Actuarial charges assessed to agencies insured under the state's risk management system, as well as recoveries by the state through litigation.		
<b>Purpose of Fund:</b> To pay for the legal services ISA contract between the Attorney General and ADOA.		
<b>Funds Expended</b>	8,741,600	9,406,700
<b>Year-End Fund Balance*</b>	1,219,100	(5,900)
<b>State Aid to Indigent Defense Fund (AGA2445/A.R.S. § 11-588)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations, a 14.66% allocation of a 7% penalty assessment on fines, penalties and forfeitures imposed by the courts for criminal and civil motor vehicle violations, and a 20.53% allocation of a 5% portion of fines and fees collected by the Supreme Court and Court of Appeals.		
<b>Purpose of Fund:</b> See <i>Arizona Criminal Justice Commission</i> . The FY 2014 Criminal Justice Budget Reconciliation Bill (BRB) (Laws 2013, 1 <sup>st</sup> Special Session, Chapter 5) permitted the Attorney General to use State Aid to Indigent Defense Fund monies in FY 2014 for capital postconviction prosecution. The FY 2015 (Laws 2014, Chapter 12) and FY 2016 (Laws 2015, Chapter 17) Criminal Justice BRBs continued this practice. The FY 2017 budget shifted this appropriation to the General Fund.		
<b>Funds Expended</b>	769,300	0
<b>Year-End Fund Balance</b>	27,100	0
<b>Victim Witness Assistance Fund (AGA2228/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Grants from the Victim Compensation and Assistance Fund and the Victims of Crime Act Fund.		
<b>Purpose of Fund:</b> To assist crime victims and surviving family members who are involved in felony cases and appellate matters.		
<b>Funds Expended</b>	48,300	14,300
<b>Year-End Fund Balance</b>	1,600	0
<b>Victims' Rights Fund (AGA3215/A.R.S. § 41-191.08)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 7.68% of Criminal Justice Enhancement Fund monies and an assessment on parents of juvenile offenders. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.		
<b>Purpose of Fund:</b> For states and local entities that provide victims' rights services and assistance.		
<b>Funds Expended</b>	3,704,700	3,758,900
<b>Year-End Fund Balance</b>	2,402,400	1,693,500

\* As reported by the agency. Actual ending balance will not be negative.